

ALG minutes 07/20/11 final

Present: Mike Gowing, Janet Adachi (BoS) Bill Mullin, Doug Tindal (FC) Xuan Kong, John Petersen (SC) staff Steve Ledoux, John Murray, Steve Mills & Don Aicardi. Facilitator Bart Wendell was a bit late due to traffic volume.

Audience: Steve Barrett, Town Finance director, Marie Altieri, school personnel director, Clint Seward, FinCom & AVG, Bob Ingram, Dick Calandrella, Paul Hoff & Charlie Kadlec, AVG.

II Revenue updates

Information sheets: Revenues, state aid (cherry sheets) Revenues, local receipts including excise, fees interest

Don walked ALG members through the revenue sheets for state aid. The budget has been voted, by the Legislature so the numbers are final. The info showed the differences (\$182k higher) between what was voted at ATM & the return from the state. For AB the difference is \$173k.

John Murray noted that there is discussion on the state level of a second round of cherry sheet receipts in the order of \$65m---this number is not set, but John seemed sure that there would be a second distribution.

There were questions about the \$65m but JM said that the numbers were just in a preliminary stage---what he was definite about was a second round of payout.

John Petersen asked about the snow & ice account & the amount that needed to be paid.

Steve L said the Town got a \$65k infusion of emergency funds that covered the shortfall.

There was a question as to who would be “keeper of the spreadsheet” Don agreed to do the job.

***Agreement: the jobs would stay the same i.e. Don with the spreadsheet & the Town with the agenda & sending notices of meetings.

ALG Ground rules & introductions

By way of introduction, Bart said that the Ground Rules have been the work of many years and every new ALG needed to accept the provisions. It is important to note that no business may be conducted without a quorum--agreed

It was also agreed that there should be continuity in membership---Pam Harting-Barat needed to attend & Janet could not be a sometime substitute.

Bart noted that the whole idea of the ALG was based on consensus and this meant two things: members needed to “champion” the decisions made at the ALG with their respective boards; and if a member does not agree, that knowledge needed to be know before the close of the meeting.

JM asked for clarification on the day of the week, the time & cancellation policies.

ALG will be cancelled if the schools are closed or start late. It was agreed to keep meeting at 7:30 AM

There was discussion on which day would be best & would allow the easiest transfer of information from the ALG back to the boards & the decisions of the boards back to the ALG. Everyone noted how busy they were & the inconvenience of particular days.

****It was agreed to meet on the 2nd Thursday of each month. There will also be necessary bi-monthly as we get closer to Town Meeting.

ACTION: John Murray will prepare a calendar for next meeting so ALG meetings can be added

Xuan noted that the AB budget is not controlled by ALG but is an assessment & he hopes that the numbers will be available early in the ALG year

III. Review & definition of reserve accts.

Extra info: text of an act authorizing NESWC money to a fund balance; Steve Barrett's chart comparing general fund free cash against NESWC

Steve Barrett noted that there are two sections dealing with NESWC/trash; NESWC fund itself which the state allowed the town to handle as a reserve fund; and the enterprise fund for the recycle/transfer station. Because of confusions in the types of accounting that are being promulgated by the DOR, Barrett has removed \$213k from the NESWC fund & ended up with \$1.648 from the "old" NESWC which will go into the general free cash fund.

He is not sure if this accounting will pass the DOR provisions as yet. The Town will not be filing with the state for the certification as early as last year because of shortages in staffing---but once he does get the OK from the DOR he will let ALG know.

Xuan: in general it seems we have \$3.2m more to spend than on the ALG spreadsheet---or to allocate for FY12.

Bill asked if it were OK for the Town to set up an enterprise fund without Town Meeting approval.

John M said that in fact there was Town Meeting approval but that the changes in the DOR accounting "messes up" what has been done in the past---it is actually all one pot.

J. P said The change in free cash accounting was interesting but in the macro view, \$200k is not all that much & should not be of such great concern.

III. Review of revenue definitions

Bill: the FC is putting together a white paper/thought piece that should be ready for the Oct. meetings (he asked that the paper be an agenda item for that meeting) The elements will be: long term budgets; capital plan; fixed assets management; reserves; measurements over a long period; definition of reserve accounts; agreements on starting balances. He noted that the ALG needed to determine what to call the reserves. He suggested using the banking terms of tier I; tier II & tier III i.e. certified free cash & E&D would be in tier I along with \$1m liability & NESWC balance.

HIT increases could be considered reserves & be in tier II---there could be large amounts in tier II.

Doug: "reserves" is a "politically charged term"—there is a technical definition but the public thinks anything called reserves is available to spend---some are not available and we need to clarify this.

Bart: is there agreement with Bill on this?

Bill: we should not get hung up now but wait for the FC's paper---but at some meeting we also have to determine the starting balance.

JP: I think it's problematic to put/call HIT monies as reserves.

Mike: I agree with lumping free cash into the reserves but part of what we have to do is to translate what we do so it can be understood by the average citizen. I don't know if we should use banking terms---but the description needs to be carefully thought out.

V. no more decisions needed here

VI Minuteman

Steve L reported on a meeting with Minutemen administration & the town managers in the MM district. There are two issues: the Lexington building inspector (Garry Rhodes) has found that there are concerns/violations within the trades section of the complex. The fix will be in the \$375-\$475k range & needs to be done before the start of the school year. MM's E&D is @\$200k. MM administration has asked SBAB for money---if that is not forthcoming the 16 member towns will have to have Town Meetings to get the needed money.

The second issue is proposed changes in the regionalization agreement. At present, towns who are not members are sending students. Their tuition does not include any support for capital costs. There is a committee studying a new formula which includes: three-year rolling average of school population for each community; chapter 70 money; a surcharge based on a count of each community's K-12 school population. Managers are not happy with this last part—Steve noted that the students in 9-12 have already made their educational decisions and are not going to attend MM. So a group of Town Managers is working on formula changes.

The fact that there are 1800 out-of-district students with no provision for assessing capital costs is now before the DOR & DOE. The MM admin is looking for some relief from that quarter.

VII—next meeting

***agreed that an August meeting was not necessary. Next meeting will be Sept. 8 at 7:30 AM

VIII—public

Mr. Kadlec: historically free cash/NESWC/E&D have not been under the control of Town Meeting but ALG. There is a straightforward way to fix the NESWC situation: have Town Meeting set up new enterprise fund for the transfer/recycle center and have appropriations made at ATM. Right now that money is invisible and [appropriations] may in fact be illegal. There is no need to bring H.I.T. to the table.

Bob Ingram asked for the minutes on the web.

Adjourned 8:50

Ann Chang